

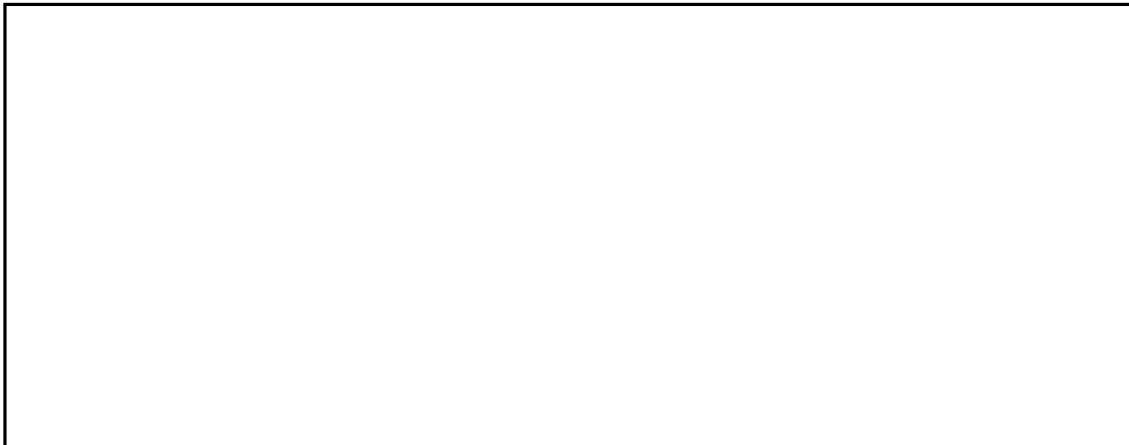
OGC 7-1974

21 November 1957

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT: Pruning Activities

1. You requested any instances that could be reported where any office has pruned itself since the great expansion of Korean War days.



25X

3. As recently discussed with you I have plans for an additional lawyer on the staff but will await the outcome of the present budget discussions before proceeding.

SIGNED

LAWRENCE R. HOUSTON
General Counsel

OGC:LRH:jeb

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Office of General Counsel

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The fallacy in the suggestion that summer employees be given special tax consideration is indicated in the recommendation that if other employment were obtained after filing the return and receiving the refund, the summer employees be required to submit a revised return after 1 January with the regular tax payers. Such a resolution with regard to later employment would create an administrative impossibility for the individual and Internal Revenue.

It is believed that such inequities as exist in requiring the individual to wait until after the close of the tax year to file for a tax refund lies in the fact that our present income tax system is one of pay-as-you-go which requires the employer to make withholdings of taxes at the time salary payments are made. Technically it would be possible through legislation to provide that where the employer was certain that the earnings during the year would not exceed \$600, such as would be the case in some summer-only employments, that the employer would then be free at his discretion to make no withholdings. It is believed that placing such a requirement on the employer would be unreasonable and one that would be next to impossible of fulfillment in practice.

It would be possible to spend many hours showing why such a recommendation could not be accommodated in our present tax system. It is believed sufficient to state for the present purpose that such a possibility is incompatible with the income tax system presently in force in the United States.

CCC:JON:mpe

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16 September 1957

Assistant General Counsel